

# The colloquy grog shop marketing essay



**ASSIGN  
BUSTER**

Colloquy Grog Shop is a unique local bar/coffee/tapas house that provides a friendly, effective place where singles can meet. Colloquy Grog Shop is not your typical bar where people go to meet other singles. Colloquy Grog Shop has a unique service called the structure conversation system that is quite effective for allowing singles to meet each other and provide them with valuable insight into the other person through reflective conversation. The structured system provide an atmosphere that lowers inhibitions and breeds confidence allowing singles to meet other singles and gain insight into their personality by way of thoughtful discourse.

Meeting people is one of the largest hurdles 25-45 year old singles face. Colloquy Grog Shop provides this group with an effective solution to this problem.

### Situation Analysis

Colloquy Grog Shop has just begun business, and marketing is essential to its success and future profitability. The bar offers a place for people to meet in a comfortable, person-meeting environment. The basic market need is place where singles can meet new similar people. Colloquy Grog Shop uses a sophisticated conversation system to enhance and facilitate singles meeting each other.

### **Market Summary**

Colloquy Grog Shop possess good information about the market and knows a great deal about the common attributes of the prized and loyal customers. Colloquy Grog Shop will leverage this information to better understand who



229, 976

250, 674

273, 235

297, 826

9. 00%

Non-singles

7%

134, 432

143, 842

153, 911

164, 685

176, 213

7. 00%

Other

0%

0

0

0

0

0

0.00%

Total

8.23%

345,419

373,818

404,585

437,920

474,039

8.23%

## **Market Needs**

Colloquy Grog Shop is a unique bar/coffee shop/tapas house that is organized to try to facilitate new friendships. The Grog Shop will offer a changing menu of tapas, microbrews, and assorted coffee drinks in conjunction with a structured conversation system. Colloquy Grog Shop seeks to fulfill the following benefits that are important to their customers.



## **Market Growth**

In 1999, the global bar/restaurant market reached \$24 billion dollars.

Alcohol sales are estimated to grow by 9% for the next few years. This growth can be attributed to several factors. The first factor is American's reliance on alcohol for socialization. This factor is intuitive as alcohol breaks down social inhibitions.

Another factor is the trend to eat and drink outside of the home. This occurs as Americans work longer and longer hours during the week. Eating and drinking out is a convenience that many are willing to pay for. It also provides contact with more people.

## **SWOT Analysis**

The following SWOT analysis captures key strengths and weaknesses within the company and describes the opportunities and threats facing the Grog Shop.

### **Strengths**

Strong relationships with third party vendors.

Excellent staff who are highly trained and customer attentive.

The structured conversation system.

### **Weaknesses**

The Grog Shop's limited brand equity.

The struggle to continually have current and new conversation topics.

A limited marketing budget to develop brand awareness.

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## **Opportunities**

A growing market with a significant percentage of the of the target market still unaware of the Grog Shop.

Increasing sales opportunities as people become familiar with the advantages of the structured conversation system.

The ability to lower variable costs through efficiency gains.

## **Threats**

Competition from taverns.

Competition from other sources of singles meeting events.

A slump in the economy which will decrease discretionary spending.

## **Competition**

The competition comes from several different sources.

### Bars

There are many different types of bars or taverns. Some are better than others for meeting people, however, none of them have the business mission to bring together singles.

### Coffee Shops

Coffee shops are typically an easy-going social setting that does lend itself for people to meet others. Conversations occur in part because of the historical underpinning of coffee houses, in part by virtue of the fact that the



background music is not blaring. Coffee shops rarely have any type of organized activities to bring singles together.

#### Other Events/Activities Aimed at Bringing Together Singles.

One activity/phenomenon that has started in New York City and moved to a few other larger cities (not including Portland) is an activity that has a long rectangular table that always has one seat opposing the other. People sit down with females on one side and males on the other (this seating arrangement is for heterosexual gatherings) and will have a limited number of minutes (usually 10) to chat. Typically, conversations can be about anything, however you are not to reveal the job/profession that you are involved in, beyond that, anything is fair game. The table rotates and you end up speaking with a lot of different people. You then create a list of the top five that you would like to speak with again and if the matching person also has you on their list, phone numbers are released to the two people. Another activity might be some sort of outdoor activity like hiking or rafting and it is organized as a singles event. There are also other type of singles events, too numerous to mention. Lastly, there are resources like personal sections in local papers where people can post or respond to personal advertisements.

Every person has their own method of meeting people, some more useful than others. Colloquy Grog Shop predicts singles will abandon, or at least supplement, their current method of meeting people with the Grog Shop's activities as they are thoughtfully designed to achieve the goal of introducing like-minded individuals.

## **Product Offering**

Colloquy Grog Shop sells the following:

### Eight Microbrews on Draft and Bottled

Alcohol, specifically beer, is served for two reasons. One, alcohol reduces inhibition, making it easier for people to meet and interact with new people. Two, and more importantly, beer, particularly draft beer generates wonderful profits. Microbeers are chosen because microbrews are of higher quality than large production beers and our target segment prefers higher-quality beer.

Espresso, Cappuccino, Coffee, and other Coffee/Espresso drinks.

Coffee and coffee-related drinks are hugely popular, particularly in the Pacific Northwest. Northwesterners expect good coffee/espresso at most food/drink establishments and it is often associated with good conversation.

### An Assortment of Tapas

Tapas are chosen because they can be relatively easy to make, the offerings can be changed frequently, and tapas are more community orientated, meaning they are designed for a table/multiple people to share. This reinforces Colloquy Grog Shop mission of bringing new people together.

The service offerings are based on a system for singles to meet new people. This is accomplished through a structured conversation system. The Grog Shop is divided into two sections, one smaller section of tables that is for people meeting people that they already know. The other, larger section is

the section of tables for singles to come and meet new people. This section is composed of 4-top tables (table seating for four) where a customer will come and sit down at the table among other people. The table will be marked with a topic of conversation in the center. Throughout the evening as there is turnover of the table or the conversation is exhausted, the server will introduce a new topic. The topics of conversation are far reaching, some are recent news or sports, while others are intellectual, and some are philosophical. The bulk of the topics will be of the latter varieties as people that are interested in meeting people through the conduit of conversation will typically prefer heavier stuff to provide more insight into that person.

If you ask a majority of single 25-45 year olds, most will say they have difficulty meeting new people. Regular bars are not an ideal place to meet people because beyond their visual image, it is quite difficult to learn anything material about the person to determine if there are some commonalities. The typical bar has loud music and is not geared up for serious conversation. Bars are also less than ideal to meet people because of the uncertainty or ambiguity when meeting new people at a bar. Many people feel uncomfortable in situations where they are not sure how to act. The ideal situation to meet someone is during an activity that is mutually enjoyed, whether it is at an art museum or mountain biking in the Cascade Range.

Colloquy Grog Shop creates a setting in a bar/coffee shop that encourages thoughtful conversation, allowing patrons to gain insight into the other singles. The key to the conversation system is structure. The rules are clearly established. Singles sit down at specific tables and discuss the

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assigned topic of conversation. Everyone at these tables are single and looking to meet new people. The conversation is used to elicit insight into the other person, their values and perspectives as well as implicit and sometimes explicit insight to their background and past.

The structured conversation system is successful because it reduces ambiguity or uncertainty in the singles social scene allowing people to feel more comfortable in the setting and open up more to new people. Additionally, for intellectually minded people, it allows them to find people with similar interests, whether the similarity is based in the topic of conversation or more generally in conversation itself.

## **Keys to Success**

Attracting customers who find value in the Grog Shops offering and who will frequent the Shop regularly in order to meet like-minded single people.

Excellent customer service.

Maintaining a cost of goods on foods at below 50%.

## **Critical Issues**

The Grog Shop is still in the speculative stage as a retail operation. Its critical issues are: to continue to take a moderate fiscal approach to business operations and to build brand awareness which will drive customers to the Grog Shop.

Marketing Strategy

Colloquy Grog Shop's strategy will be based on communicating Grog Shop's value to the targeted segments. This will be done through a variety of methods. The first method will be strategically placed advertisements. One place that will be used for advertisements is the Willamette Weekly, the liberal arts magazine that details all of the entertainment in Portland. This will be the main source of advertisements because the demographics of their readership are fairly similar to Colloquy Grog Shop's demographics.

Another source of marketing will be done with strategic relationships with companies that have similar customer demographics. One prime example is the Multnomah Athletic Club. While the club's patrons are not necessarily overwhelmingly single, the rest of the demographics match up. The MAC is a fairly exclusive downtown athletic club that by virtue of the membership costs, attracts professionals. The strategic relationship will be mutually beneficial where both organizations will develop visibility for each other.

The other form of advertising will be using "grassroots" methods where customers will be given coupons for their friends to try Colloquy Grog Shop for the first time. The coupon will be an economic incentive for the newcomer to try Colloquy Grog Shop. The coupon also has the added force of a referral from a friend.

## **Mission**

Colloquy Grog Shop's mission is to provide a neighborhood bar/coffee shop where single people can meet. We exist to attract and maintain customers. When we adhere to this maxim, everything else will fall into place. Our services will exceed the expectations of our customers.

## **Marketing Objectives**

Develop brand awareness through a steady, month to month increase of new customers.

Develop an increase in sales while achieving a status quo state or decrease in marketing expenses.

Develop awareness of the structured conversation system measured by customers coming to the Grog Shop solely for meeting people.

## **Financial Objectives**

A double digit growth rate for each future year.

Reduce the variable costs through efficiency gains.

Reach profitability within the first year.

## **Target Markets**

Colloquy Grog Shop's customers can be broken down into two groups, singles, and non-singles. The non-singles groups are smaller than the singles groups by virtue of the fact that if you are meeting someone whom you already know, the two of you can come up with the topic of conversation yourself, therefore, Grog Shop offers this group less value. The demographics for the non-singles is similar to the singles, to be listed below. The larger group then is the singles. The demographics of the singles are:

Single: self evident.

Professional: this characteristic is intuitive since the underlying element of Colloquy Grog Shop is thoughtful conversation, and most professionals appreciate thought-provoking conversation.

Income over \$40, 000: this to a large degree is correlated to the fact that they are professional.

Age 25-45: the largest group of singles looking for companions.

## **Positioning**

The Colloquy Grog Shop will position itself as a reasonably priced tapas/bar/coffee house that has an innovative, effective system for allowing single to meet each other.

The Colloquy Grog Shop’s positioning will leverage their competitive edge:

A unique approach to getting singles together called the structured conversation system. This system was detailed in the Product and Services section, please refer to that section for more information.

This system is a competitive edge because most bars/taverns do not have a niche that they are concentrating on. While every bar or coffee shop has a certain “ flavor” and that is why someone will choose one bar or another, the flavor is only surface deep. The business model of the establishment is to sell alcohol and provide a social setting. Beyond these two values, there is little other genuine value that the establishments try to provide.

Colloquy Grog Shop is distinguished by the fact that their business model concentrates on developing value for customers beyond serving drinks. The

Grog Shop develops an effective, albeit inherently structured, social setting that encourages meeting like-minded individuals. Providing the drinks is the source of income, an ancillary part of the business model. Generating value for the customers is the main focus, if the customers are happy then the revenue will follow (assuming of course that proper marketing and financial controls are employed). Concentrating on the client's needs beyond serving alcohol is the distinguishing characteristic that will allow Colloquy Grog Shop to rapidly gain market share.

## **Strategies**

The single objective is to position the Colloquy Grog Shop as the premier place for young professional singles to meet like-minded individuals. The marketing strategy will seek to first create customer awareness regarding their services offered, develop that customer base, and work toward building customer loyalty and referrals.

The message Colloquy Grog Shop will seek to communicate is that The Grog Shop is THE place to meet intelligent singles. This message will be communicated through a variety of methods. The first method will be advertisements. The bulk of the advertisements will be in the Willamette Weekly, a weekly entertainment guide in Portland that has impressive readership numbers for the desired target population.

Another method will be through establishing strategic relationships with companies that have similar demographics such as the Multnomah Athletic Club. Establishing a mutually beneficial relationship will allow both organizations to develop visibility for each other.



The other form of advertising will be using “grassroots” methods where customers will be given coupons for their friends to try Colloquy Grog Shop for the first time. The coupon will be an economic incentive for the newcomer to try Colloquy Grog Shop. The coupon also has the added force of a referral from a friend.

## **Marketing Mix**

Colloquy Grog Shop’s marketing mix is comprised of these following approaches to pricing, distribution, advertising and promotion, and customer service.

**Pricing:** the pricing scheme is based on standard industry practices.

**Distribution:** all services and products will be distributed from Colloquy Grog Shop’s retail space.

**Advertising and promotion:** the most successful advertising will be with Willamette Weekly. Additionally, strategic relationships will be developed with companies such as Multnomah Athletic Club as well as use of a grassroots promotion system.

**Customer service:** obsessive customer attention is the mantra. The Grog Shop’s philosophy is to do whatever needs to be done to impress the customer. While this could reduce short-term profits, it will strengthen long-term profitability.

## **Marketing Research**

During the initial phases of the marketing plan development, several focus groups were held to gain insight into a variety of likely customers. These

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Sales Forecast

2001

2002

2003

Sales

Drinks

\$105, 921

\$271, 254

\$296, 874

Food

\$69, 908

\$179, 028

\$195, 937

Total Sales

\$175, 829

\$450, 282

\$492, 811

Direct Cost of Sales

2001

2002

2003

Drinks

\$26, 480

\$67, 814

\$74, 219

Food

\$29, 361

\$75, 192

\$82, 293

Subtotal Direct Cost of Sales

\$55, 842

\$143, 005

\$156, 512



\$1, 200

\$1, 200

Other

\$2, 400

\$1, 200

\$1, 200

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Total Sales and Marketing Expenses

\$9, 200

\$4, 800

\$4, 800

Percent of Sales

5. 23%

1. 07%

0. 97%

Controls

The purpose of The Grog Shop’s marketing plan is to serve as a guide for the organization.

## **Implementation**

The following milestones identify key marketing programs. It is important to accomplish each one on time and on budget.

[http://www.mplans.com/graphical/images/sbp\\_images/click\\_to\\_enlarge.gif](http://www.mplans.com/graphical/images/sbp_images/click_to_enlarge.gif)

Milestones

Advertising

Start Date

End Date

Budget

Manager

Department

Marketing plan completion

1/1/2001

2/1/2001

\$0

Karen



Department

Advertising

1/1/2001

1/1/2004

\$9, 600

Karen

Department

Strategic relationships

1/1/2001

1/1/2004

\$4, 400

Karen

Department

Grassroots promotion

1/1/2001

1/1/2004

\$4, 800

Karen

Department

Name me

1/1/2003

1/15/2003

\$0

ABC

Department

Name me

1/1/2003

1/15/2003

\$0

ABC

Department

Name me

1/1/2003

1/15/2003

\$0

ABC

Department

Name me

1/1/2003

1/15/2003

\$0

ABC

Department

Name me

1/1/2003

1/15/2003

\$0

ABC

Department

Other

1/1/2003

1/15/2003

\$0

ABC

Department

Total Advertising Budget

\$18, 800

PR

Start Date

End Date

Budget

Manager

Department

Name me

1/1/2006

1/15/2006

\$0

ABC

Department

<https://assignbuster.com/the-colloquy-grog-shop-marketing-essay/>

Name me

1/1/2006

1/15/2006

\$0

ABC

Department

Name me

1/1/2006

1/15/2006

\$0

ABC

Department

Other

1/1/2006

1/15/2006

\$0

ABC

Department

Total PR Budget

\$0

Direct Marketing

Start Date

End Date

Budget

Manager

Department

Name me

1/1/2006

1/15/2006

\$0

ABC

Department

Name me

1/1/2006

1/15/2006

\$0

ABC

Department

Name me

1/1/2006

1/15/2006

\$0

ABC

Department

Other

1/1/2006

1/15/2006

\$0

ABC

Department

Total Direct Marketing Budget

\$0

Web Development

Start Date

End Date

Budget

Manager

Department

Name me

1/1/2006

1/15/2006

\$0

ABC

Department

Name me

1/1/2006

1/15/2006

\$0

ABC



Department

Name me

1/1/2006

1/15/2006

\$0

ABC

Department

Other

1/1/2006

1/15/2006

\$0

ABC

Department

Total Web Development Budget

\$0

Other

Start Date

End Date

Budget

Manager

Department

Name me

1/1/2006

1/15/2006

\$0

ABC

Department

Name me

1/1/2006

1/15/2006

\$0

ABC

Department

Name me

1/1/2006

1/15/2006

\$0

ABC

Department

Other

1/1/2006

1/15/2006

\$0

ABC

Department

Total Other Budget

\$0

Totals

\$18, 800

## **Contingency Planning**

Difficulties and risks:

Problems generating visibility and awareness of the Grog Shop.

An entry into Portland of the “ conversation roundtables” or other single meeting events.

Lower than forecasted consumption of alcohol.

Worst case risks may include:

Determining that the business cannot support itself on an ongoing basis.

Having to liquidate equipment to cover liabilities.